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C O N F I D E N T I A L SECTION 01 OF 05 JAKARTA 013392

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DEPT FOR S/CT AND EAP/MTS
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TAGS: [PTER](#) [PGOV](#) [PREL](#) [KJUS](#) [ASEC](#) [KISL](#) [ID](#)
SUBJECT: SBY'S CT RECORD AFTER TWO YEARS: A MIXED BAG

REF: A. JAKARTA 12602
[1](#)B. JAKARTA 9160
[1](#)C. JAKARTA 9443
[1](#)D. JAKARTA 11663
[1](#)E. 05 JAKARTA 14173
[1](#)F. 05 JAKARTA 12423
[1](#)G. JAKARTA 12773
[1](#)H. JAKARTA 9424
[1](#)I. USDAO JAKARTA IIR 6 845 0464 06

Classified By: Ambassador B. Lynn Pascoe for Reasons 1.4 (b) and (d).

Summary

[1](#)1. (C) Two years into the Yudhoyono Administration, Jakarta remains stalwart in its commitment to identify, arrest, and convict terrorist operatives. The combination of strong political support for tactical CT operations and substantial international assistance has enabled Indonesian law enforcement to make significant progress towards dismantling the Jemaah Islamiyah (JI) terror network. Attempts to develop a coherent national CT strategy lag far behind, however, and the momentum for fresh CT initiatives that we reported a year ago seems to have dissipated (ref E). The SBY administration has been reluctant to mold ongoing initiatives into a comprehensive strategy for addressing the terrorist threat. The continued ambiguity surrounding the status of the National CT Coordinating Desk is illustrative of a general failure to set up effective interdepartmental CT structures. Successful institution building has taken place, most notably the creation of a new CT and Transnational Crime Task Force at the Attorney General's office, and improved internal police coordination. However, these initiatives reflect primarily the efforts of individual elements within the government in concert with the foreign donor community rather than a unified approach by the SBY administration.
End Summary

Improved Tactical Environment for GOI CT Investigators

[1](#)2. (C) Since President Yudhoyono was elected in 2004, several key successes in Indonesia's effort to combat terrorism have made the overall atmosphere more supportive of tactical CT efforts. Lead police CT investigators tell us that Yudhoyono's appointment of General Sutanto as Indonesian National Police (INP) Chief in June 2005 dramatically

improved the operating environment for the INP's CT units, as well as in other key areas, such as police reform and corruption investigations. The INP's efforts in pursuit of terrorist suspects, led by DS/ATA-trained Detachment 88 anti-terror units and "Team Bomb", scored a series of successes against terrorists linked to Jemaah Islamiyah (JI) after the October 2005 Bali bombings. The killing of JI bombmaker Azahari and a key apprentice in a Malang, East Java police raid in November 2005 was a major blow to JI capabilities. Several arrests prior to and following the raid were also critical in breaking up elements of terrorist mastermind Noordin Top's Java network. Likewise, an April 2006 police raid in Wonosobo, Central Java killed two more top JI lieutenants and led to the arrest of at least two others. These raids also netted dozens of assembled explosive devices like those used in vest- or backpack-style suicide bombs. Numerous other JI-linked terrorists have been arrested and tried, including 12 linked to the 2005 bombings. Top and several other key JI operational figures, however, continue to evade what has been characterized as the largest manhunt and police dragnet in the INP's history. Several Embassy contacts believe that Top may attempt to continue the pattern of yearly bombings with an attack before the end of the year (ref A).

13. (C) The INP scored major successes in conflict-ridden Central Sulawesi over the past year (ref B). The arrest of three suspected terrorists thought to be behind many of the violent attacks since the 2001 Malino peace agreement--including last year's Tentena bombing and schoolgirl beheadings--led some Embassy contacts to claim in July that a new peace agreement between the area's Christian and Muslim populations was within reach. The trials of these

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three JI-linked militants began in Jakarta in November. INP officials have been optimistic since at least June that they would make more arrests of Central Sulawesi militants known to fan the conflict, stating that several key militants were under police surveillance and that arresting them was largely a timing issue. The INP has wanted to avoid a backlash to the arrests from within the Muslim community and has solicited the support of local Muslim leaders to surrender the suspects voluntarily, although an INP CT investigator told us in early December that these efforts by the INP to encourage community cooperation largely had been unsuccessful. Street violence triggered by the August execution of three Christian men convicted of a 2001 attack against Muslims, and a series of bombings targeting both Muslim and Christians over the last few months has threatened the fragile peace and tempered optimism. Vice President Yusuf Kalla is from Sulawesi and has taken an active interest in solving the conflict for several years. The INP and an increasing number of GOI officials, including Kalla, accept that the area has been a breeding ground for Indonesia's terrorists. Kalla's public statements in recent weeks identified the militants as "terrorists" and encouraged authorities to prosecute them under Indonesia's CT law.

Presidential Support for Limited Military CT Role

14. (C) After the October 2005 terrorist attacks in Bali, Yudhoyono publicly called for the Indonesian Armed Forces (TNI) to assist the INP in CT activities. Sub-cabinet officials debated for several months on how to do so in a politically acceptable way. The TNI's primary CT function has been in intelligence collection and surveillance. The TNI's involvement has been widely interpreted as a provisional measure to tap the intelligence capabilities afforded by the TNI's territorial structure, a legacy of the past which continues to give the TNI a presence at the village level throughout Indonesia. With the INP's separation from the TNI in 2001, the TNI was removed from domestic law enforcement, but the INP's intelligence capabilities remain underdeveloped. In mid-2006, TNI ground

troops and air assets joined INP units in response to the possible sighting of terrorist leader Noordin Top in a remote area of East Java. Special Forces units form the backbone of the TNI's crisis response capacity, and train in various skills, such as anti-hijacking, hostage rescue, and explosive ordnance disposal. The skill levels vary within each service. The TNI Army's KOPASSUS Task Force 81 generally is regarded to be the TNI's most capable CT unit. All TNI units, however, face shortages of specialized equipment, training, funding, and experience, and both inter-service and interagency rivalries are common. As with the INP, foreign assistance to fund essential training and equipment for the TNI will improve its terrorism response capacity and its ability to assist the INP in CT operations.

Attorney General's Office Making Progress

15. (C) The AGO continued to earn convictions at an impressive rate during SBY's second year, and there seems to be a growing awareness within the AGO that terrorism cases should not be left to inexperienced prosecutors. In the spring, the AGO transferred two senior prosecutors with significant experience in terrorism cases to Bali and Semarang, areas in which multiple terrorist suspects were coming to trial. In Bali, all four suspects tried for their role in the 2005 bombings were convicted under the 2003 terrorism law, with sentences ranging from 8-18 years (ref D). The ongoing trials of eight terrorism suspects in Semarang also appear to be going well, and prosecutors have asked for the death penalty for JI recruiter Subur Sugiarto. Prosecutors in Jakarta won conviction in 15 terrorism cases earlier in 2006, although the longest sentence imposed was seven years, with most of the convicted receiving less than five. A number of factors have been cited as possible explanations for the short sentences in those cases, including a lack of physical evidence directly linking suspects to attacks, inexperienced prosecutors failing to make the case for stiffer penalties, and judges who are not supportive of the GOI's CT agenda.

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16. (SBU) The question of sentencing is compounded by the Indonesian custom of granting "remission" (sentence reductions) to virtually all prisoners at least twice a year. In addition to JI spiritual leader Abu Bakar Ba'asyir, who was released from prison in June, at least nine other convicted terrorists were released in October, due in part to multiple sentence remissions (ref G). One of the recently released, Gun Gun Rusman Gunawan, helped to finance the 2003 Marriot bombing and is the brother of well-known terrorist Hambali, currently in U.S. custody. While a new Presidential order scheduled to take effect in 2007 will make it more difficult for newly-convicted terrorists to receive remissions, those convicted in the past who have served at least a third of their sentences will continue to qualify.

17. (C) The inauguration of the AGO's Terrorism and Transnational Crime Task Force in July 2006 (ref C) represents a long-awaited step forward in the Indonesian CT effort. The Task Force brings together a group of prosecutors who will oversee high-profile terrorism cases throughout Indonesia, with USG funds providing renovated office space, computers, and training. Contacts there recently forwarded us a list of 11 terrorism cases that they are overseeing, including the three men allegedly involved in the Tentena bombing and other crimes in Central Sulawesi (see above and septel). They also state that, using the Anti-corruption Task Force as a model, they have developed a good working relationship with police officials who track terrorism cases. The Task Force also provides a partner for targeted CT training; Poloff and DOJ's Resident Legal Advisor are working with them to put together a series of training programs for late 2006 and early 2007. While some questions remain regarding the ongoing evolution of the Task Force, we are confident that it will continue to improve the AGO's

ability to prosecute suspected terrorists successfully.

Development of CT Strategy Moves at Glacial Pace

18. (C) The Yudhoyono Administration's development of a broader CT strategy lags far behind the steadily improving tactical skills of its CT investigative units. A case in point is Indonesia's National CT Coordination Desk, a testament to the GOI's short attention span and political rifts within the Cabinet over CT policy. Formed in the wake of the 2002 Bali terrorist attacks while SBY was serving as the Coordinating Minister under then-President Megawati, the Desk was intended as a temporary body which would later evolve into the National CT Coordination Agency. However, four years and three major terrorist attacks later, its status remains unchanged. Having no autonomous budget, the Desk lacks the institutional clout necessary to work with the INP and the other main CT players as an equal partner, despite widespread respect for its chief, retired Police Inspector General Ansyad Mbai. In late 2005, the Desk drafted an impressive national CT strategy only to see the document shelved by the administration, supposedly due to fear of an Islamist backlash (ref F). Compounding the funding problem, a CT Desk official told us that Deputy Coordinating Minister Joko Sumaryono, who controlled the Ministry's finances, had withheld money from the Desk because of the significant amount of funding the Desk had received from international donors to conduct CT programs.

19. (C) Despite the Desk's lack of financial and institutional resources, it serves as a useful GOI face to implement valuable CT programs funded by the U.S., the U.K., and other donors. Among the Desk's key accomplishments, according to Mbai, were: a) improved CT cooperation among Indonesia's Police, Attorney General's Office, and Judiciary, b) a public education campaign that used former radicals to network with former mujahadin and c) the drafting of a guidebook for joint CT operations focused on crisis management. Moreover, Mbai is one of the few officials in the GOI looking seriously at the "softer" side of CT; his newest projects are geared towards using Muslim religious leaders who reject terrorism to preach to pesantren students as well as convicted terrorist currently in prison. Mbai has also consistently advocated a tough posture on CT in his frequent media appearances.

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110. (C) Another CT institution whose status remains unclear is the Anti-Terror Team, a group of senior Muslim leaders formed after the 2005 Bali attacks by Vice President Jusuf Kalla to educate the public about the dangers of violent extremist ideology (ref I). In November 2005, team members issued strong condemnations of the Bali attacks after viewing the video "suicide notes" the three bombers had left behind. The statements raised hopes that Islamic groups would for the first time actively assist the GOI in a campaign to undermine the legitimacy of violent Jihadist ideology in Indonesia, thereby giving the SBY administration much-needed political cover for more aggressive CT measures. As with other aspects of CT policy, however, the initial momentum failed to generate a sustained effort. In a March interview, Team Leader Ma,ruf Amin told us that the group was conducting a public relations campaign that would include media spots, banners, and the publication of a booklet on the true meaning of Jihad. Six months later, we have seen little evidence of such a campaign, and staff at the Team,s office recently confirmed to our Library of Congress representative that the booklet for the effort had yet to be developed.

No Updates to CT Legislation

111. (C) Embassy contacts in the law enforcement community have told us that revisions to the 2003 Anti-Terrorism Law

could significantly enhance CT efforts. They cite, as measures which would strengthen the hand of law enforcement without eroding civil rights, modest extensions of the initial detention period for terrorist suspects (currently limited to seven days), more liberal standards for introducing evidence in terror cases and the addition of comprehensive conspiracy articles. However, despite prodding from both the INP and the CT Desk, neither the government nor the Parliamentary leadership have yet taken any steps towards revising the law.

CT Finance: A Mixed Bag

¶12. (C) The GOI's approach to terrorist financing has been cooperative but passive. While Indonesian police have investigated and seized terrorists' assets (Ref H), the GOI's support for the international CT financing regime based on UNSCR 1267 is lukewarm at best. Department of Foreign Affairs officials frequently state that the GOI respects the rights of other countries and will not stand in the way of their efforts to sponsor names of Indonesian citizens for UN 1267 designation. However, with the exception of co-sponsoring with some ASEAN neighbors the October 25, 2002 UN 1267 designation of JI, the GOI has otherwise avoided sponsoring or co-sponsoring designations. Indonesia's implementation of UN 1267 designations suffers from bureaucratic delays and poor financial supervision and capacity, and has not resulted in the identification and freezing of terrorists' assets to date. A number of donors provide support for Indonesia's AML/CTF efforts, including USAID's Financial Crimes Prevention Project, AUSAID, the Asian Development Bank, the World Bank, the EU and the International Monetary Fund. In defending their reluctance to lead or support specific designations, Foreign Ministry officials typically note that most evidence suggests that terrorists in Indonesia move and store assets in the form of cash or, when they do use the formal financial sector, use aliases or smaller rural banks with poor recordkeeping. GOI political opponents and terrorist leaders have portrayed attempts to seize assets as Western efforts to discredit Islam, making such seizures sensitive politically.

¶13. (C) As noted above, the GOI does not object to the USG initiating actions against Indonesian nationals. On April 13, 2006, the Department of Treasury's Office of Foreign Asset Control (OFAC) added four Indonesian JI members (Abu Bakar Ba'asyir, Abdullah Anshori, Gun Gun Rusman Gunawan, and Taufik Rifki) to its Special Designated National (SDN) list. The United Nations Security Council 1267 Committee on April 25 subsequently added the same four to its consolidated list of individuals associated with Al-Qaeda. On August 3, OFAC added the International Islamic Relief Organization (IIRO) Indonesia Branch to its SDN List. After an initial block

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from China, the UN 1267 Committee added the IIRO Indonesia Branch to the UN 1267 Consolidated List on November 9.

Comment

¶14. (C) By creating a supportive atmosphere for the GOI's CT operators, the SBY administration has enabled its law enforcement agencies to take more aggressive action against terrorists than was previously possible. . The frustration and sense of bureaucratic isolation regularly cited by our police contacts in the early months of the new administration have largely been replaced by modest optimism. In general, however, it has been local actors in the INP, AGO and CT Desk (and the foreign funders who support them), rather than the SBY administration as a whole, who have pushed the CT agenda forward over the past two years. Other major national priorities, including the economy, corruption, education and disaster relief, compete with counterterrorism for the President's attention and budgetary resources, and foreign

funding remains essential to the continued success of Indonesia's fight against terrorism. The GOI would likely be unprepared to draw from its own coffers to continue existing programs if faced with a significant drop in foreign funding of its CT units.

¶15. (C) We will continue to use Mission contacts and various programs to support the GOI's successful tactical CT track record and encourage the GOI to develop a broader and more public strategy that explicitly denounces terrorism and violent jihad and reinforces Indonesia's continued evolution toward a more tolerant, democratic, and terror-free society. We appreciate Washington's support in this ongoing, high priority effort.

PASCOE